



The Actuarial Profession

making financial sense of the future

Which cancers should insurers cover?

Consumers' perspective

Chris Hiley, The Prostate Cancer Charity

Which cancers?

- **all of them!**
-**next question**

But seriously.....

- prepared with a perspective untroubled by a working knowledge of the insurance industry
- exactly the same perspective that a prospective consumer might have.....
- Which cancers should insurers cover? – the consumer is mystified...

What is insurance cover for?

- a financial cushion
- a policy could help pay off the mortgage; or other loans; compensate for a loss of income from work; or pay for children to finish their education; pay for modifications to the house and car to make them suitable for someone with a disability; anything the individual wishes

Critical Illness Insurance

- a type of insurance policy that pays out a lump sum upon diagnosis of a serious illness
- The term and sum to be insured are decided at the outset. If a critical illness is diagnosed during the specified term then the sum insured is paid out. If you have not suffered any serious illness at the end of the term then the plan ceases and nothing is paid out.

To what problem is critical illness insurance a solution?

- for the insurance industry
- for potential purchasers

Shared issues in disseminating health and insurance information.....

- communicating health information and insurance information are similar processes, involving anxiety, perhaps fear, disappointment, misdirected risk assessment, and plain old misunderstanding.

Disability Discrimination Bill

“a person who has cancer.... is deemed to have a disability”

Before paragraph 7 (persons deemed to be disabled).....

- “6A. (1) Subject to sub-paragraph (2), a person who has cancer, HIV infection or multiple sclerosis is to be deemed to have a disability, and hence to be a disabled person.
- (2) Regulations may provide for sub-paragraph (1) not to apply in the case of a person who has cancer if he has cancer of a prescribed description.
- (3) A description of cancer prescribed under sub-paragraph (2) may (in particular) *be framed by reference to consequences for a person of his having it.*” [my Italics]

News..... from 23.03.05

- **Most cancer survivors able to stay on the job** (Reuters Health) - Most working-age cancer survivors fare well enough to remain at their jobs in the first few years after treatment, according to a new study. In particular, researchers found, survivors of certain cancers that can be detected early, including breast and prostate tumours and melanomas, had the lowest risk of having to quit work for ongoing problems related to their disease.

Consumers expect.....

- something simple.....
-and critical illness insurance to pay out on diagnosis
- what is a 'critical illness'?
 - exhaustive lists of them
 - if it's not on the lists it isn't covered. So don't get anything rare.
 - 'dread' disease

- A medical definition?
 - are you really sure that this is important?
 - bearing in mind what a payout is actually used for?

- A social definition perhaps?
 - cheaper? [for the consumer....]
 - certainly less complex for you and them
 - more relevant to lives as lived
 - more consumer friendly

- I wonder how often these policies pay out?

which cancers?
don't you mean 'why cancers?'

- **Insure against effects, not diagnoses**
 - life threatening
 - life changing
 - effects they have
- What about non-cancer diagnoses?

INSURERS EXTEND FREEZE ON GENETIC TESTING

PEOPLE WITH family histories of serious diseases will be able to buy health and life insurance for at least six more years following the extension of a moratorium on genetic testing.

The Association of British Insurers (ABI) said it would extend the existing moratorium on tests until November 2011. An end to the moratorium could result in a "genetic underclass" of people unable to buy crucial insurance or being completely priced out of the insurance market.

The moratorium covers life insurance, health insurance, such as critical illness cover, income protection products and medical insurance.

Peculiarities of prostate cancer

- 65% of diagnoses in the UK are in men over 70



- It may be possible to get as many as 80% of men from a prostate cancer diagnosis to the end of his life without actually treating him for his prostate cancer.
- So in what way is his 'critical illness' critical?
 - to him, of course.

And finally.....

THE
PROSTATE
CANCER
CHARITY



RESEARCH.....SUPPORT.....INFORMATION

Helpline 0845 300 8383